



ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

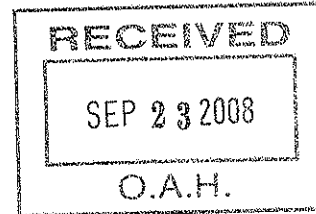
Felecia A. Rotellini
Superintendent of Financial Institutions

Janet Napolitano
Governor

September 22, 2008

Via Certified Mail

William J. Ridge, President
Ridge Mortgage Services, Inc.
10230 SW Hall Blvd.
Tigard, OR 97223



Reference: Docket # 09F-BD019-BNK/ Ridge Mortgage Services, Inc.

Dear Mr. Ridge:

Please find the enclosed formal Order of Summary Suspension and Notice of Hearing. The hearing is scheduled for **October 28, 2008, at 8:30 a.m.** at the Office of Administrative Hearings, 1400 West Washington, Suite 101, Phoenix, Arizona.

Please contact **Assistant Attorney General Liane Kido** at **(602) 542-8011** with any questions.

Sincerely,

Felecia A. Rotellini
Superintendent of Financial Institutions

RDC:sl

Enclosures

cc: Liane Kido, Assistant Attorney General

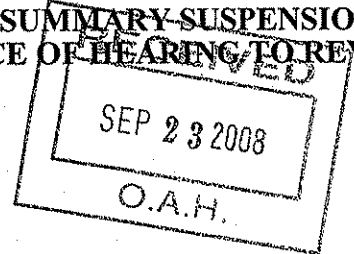
1 **ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS**

2 In the Matter of the Mortgage Broker License of:

No. 09F-BD019-BNK

3 **RIDGE MORTGAGE SERVICES, INC. and**
4 **WILLIAM J. RIDGE, PRESIDENT**
8075 E. Morgan, Suite 1
Scottsdale, AZ 85258

**ORDER OF SUMMARY SUSPENSION
AND NOTICE OF HEARING TO REVOKE**

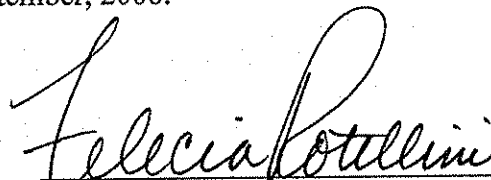


5 Respondents.

6
7 The Arizona Department of Financial Institutions (the "Department") hereby finds that Ridge
8 Mortgage Services, Inc. and William J. Ridge, President ("Respondents") have violated the
9 provisions of the Arizona Revised Statutes ("A.R.S."), Title 6 as set forth below and finds that the
10 public health, safety and welfare require emergency action pursuant to A.R.S. §§ 6-905 and 41-
11 1092.11(B).

12 **THEREFORE, IT IS ORDERED** to summarily suspend the Arizona mortgage broker
13 license held by Respondents, effective immediately, pending the proceedings for revocation or other
14 action commenced this date. **This suspension is effective immediately.**

15 EFFECTIVE this 22nd day of September, 2008.

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18 Felecia A. Rotellini
19 Superintendent of Financial Institutions

20 **NOTICE OF HEARING AND COMPLAINT**

21 PLEASE TAKE NOTICE that, pursuant to Arizona Revised Statutes ("A.R.S.") §§ 6-138,
22 and 41-1092.02, the above-captioned matter will be heard through the Office of Administrative
23 Hearings, an independent agency, and is scheduled for October 28, 2008, at 8:30 a.m., at the Office
24 of Administrative Hearings, 1400 West Washington, Suite 101, Phoenix, Arizona, (602) 542-9826
25 (the "Hearing").
26

1 The purpose of the Hearing is: (1) to determine whether grounds exist to suspend or revoke
2 Respondents' mortgage broker license; (2) to order any other remedy necessary or proper for the
3 enforcement of statutes and rules regulating mortgage brokers in Arizona pursuant to A.R.S.
4 §§ 6-123 and 6-131; and (3) to impose a civil money penalty pursuant to A.R.S. § 6-132.

5 Pursuant to A.R.S. § 6-138, the Superintendent of Financial Institutions for the State of
6 Arizona (the "Superintendent") delegates the authority vested in the Superintendent, whether implied
7 or expressed, to the Director of the Office of Administrative Hearings or the director's designee to
8 preside over the Hearing as the Administrative Law Judge, to make written recommendations to the
9 Superintendent consisting of proposed Findings of Fact, Conclusions of Law, and Order. The Office
10 of Administrative Hearings has designated Lewis Kowal, at the address and phone number listed
11 above, as the Administrative Law Judge for these proceedings. Pursuant to Arizona Administrative
12 Code ("A.A.C.") Rule 2-19-104 and A.R.S. §§ 41-1092.01(H)(1) and 41-1092.08, the
13 Superintendent retains authority to enter orders granting a stay, orders on motions for rehearing, final
14 decisions pursuant to A.R.S. § 41-1092.08 or other order or process which the Administrative Law
15 Judge is specifically prohibited from entering.

16 Motions to continue this matter shall be made in writing to the Administrative Law Judge **not**
17 **less than fifteen (15) days** prior to the date set for the Hearing. A copy of any motion to continue
18 shall be mailed or hand-delivered to the opposing party on the same date of filing with the Office of
19 Administrative Hearings.

20 A.R.S. § 41-1092.07 entitles any person affected by this Hearing to appear in person and by
21 counsel, or to proceed without counsel when submitting evidence, to have a reasonable opportunity
22 to inspect all documentary evidence, to cross-examine witnesses, to present evidence and witnesses
23 in support of his/her interests, and to have subpoenas issued by the Administrative Law Judge to
24 compel attendance of witnesses and production of evidence. Pursuant to A.R.S. § 41-1092.07(B),
25 any person may appear on his or her own behalf or by counsel.

26 Pursuant to A.R.S. § 41-1092.07(E), a clear and accurate record of the proceedings will be

1 made by a court reporter or by electronic means. Any party that requests a transcript of the
2 proceedings shall pay the cost of the transcript for the court reporter or other transcriber.

3 Questions concerning issues raised in this Notice of Hearing should be directed to Assistant
4 Attorney General Liane Kido, (602) 542-8011, 1275 West Washington, Phoenix, Arizona 85007.

5 **NOTICE OF APPLICABLE RULES**

6 The hearing will be conducted pursuant to A.A.C. R20-4-1201 through R20-4-1220 and the
7 rules governing procedures before the Office of Administrative Hearings, A.A.C. R2-19-101 through
8 R2-19-122. A copy of these rules is enclosed.

9 Pursuant to A.A.C. R20-4-1209, Respondents shall file a written answer **within twenty (20)**
10 **days** after issuance of this Notice of Hearing. The answer shall briefly state the Respondents'
11 position or defense and shall specifically admit or deny each of the assertions contained in this
12 Notice of Hearing. If the answering Respondents are without or are unable to reasonably obtain
13 knowledge or information sufficient to form a belief as to the truth of an assertion, Respondents shall
14 so state, which shall have the effect of a denial. Any assertion not denied is deemed admitted.
15 When Respondents intend to deny only a part or a qualification of an assertion, or to qualify an
16 assertion, Respondents shall expressly admit so much of it as is true and shall deny the remainder.
17 Any defense not raised in the answer is deemed waived.

18 **If a timely answer is not filed, pursuant to A.A.C. R20-4-1209(D), Respondents will be**
19 **deemed in default** and the Superintendent may deem the findings in this Notice of Hearing as true
20 and admitted and the Superintendent may take whatever action is appropriate, including (1)
21 suspension or revocation of Respondents' license; (2) any other remedy necessary or proper for the
22 enforcement of statutes and rules regulating mortgage brokers in Arizona pursuant to A.R.S. §§ 6-
23 123 and 6-131; and (3) imposing a civil money penalty pursuant to A.R.S. § 6-132..

24 Respondents' answer shall be mailed or delivered to the Arizona Department of Financial
25 Institutions, 2910 North 44th Street, Suite 310, Phoenix, Arizona 85018, with a copy mailed or
26 delivered to the Office of Administrative Hearings, 1400 West Washington, Suite 101, Phoenix,

1 Arizona 85007 and to Assistant Attorney General Liane Kido, Consumer Protection & Advocacy
2 Section, Attorney General's Office, 1275 West Washington, Phoenix, Arizona 85007.

3 **Persons with disabilities may request reasonable accommodations such as interpreters,**
4 **alternative formats, or assistance with physical accessibility.** Requests for special
5 accommodations must be made as early as possible to allow time to arrange the accommodations. If
6 accommodations are required, call the Office of Administrative Hearings at (602) 542-9826.

7 FINDINGS

8 1. Respondent Ridge Mortgage Services, Inc., ("RMSI") is an Oregon corporation
9 authorized to transact business in Arizona as a mortgage broker, license number MB 0909709,
10 within the meaning of A.R.S. §§ 6-901, *et seq.* The nature of RMSI's business is that of making,
11 negotiating, or offering to make or negotiate loans secured by Arizona real property, within the
12 meaning of A.R.S. § 6-901(6).

13 2. Respondent William J. Ridge, ("Mr. Ridge") is the President and one hundred
14 percent (100%) owner of RMSI. Mr. Ridge is authorized to transact business in Arizona as a
15 mortgage broker within the meaning of A.R.S. § 6-903(E).

16 3. RMSI, before conducting business as a mortgage broker, is required to have a surety
17 bond, deposited with the Superintendent, pursuant to A.R.S. § 6-903(G), in the required amount
18 pursuant to A.R.S. § 6-903(H).

19 4. On February 8, 2008, the Department received a Notice of Cancellation or
20 Nonrenewal from Great American Insurance Company, stating that RMSI's surety bond, number
21 2376262, in the amount of fifteen thousand dollars (\$15,000.00), is cancelled, effective March 7,
22 2008.

23 5. On February 8, 2008, the Department sent a letter via certified mail to RMSI,
24 informing them of the bond cancellation.

25 6. RMSI failed to provide documentation regarding the reinstatement of their bond or
26 documentation of a new surety bond.

7. RMSI does not have the required surety bond in order to conduct business as a mortgage broker.

8. The conduct described above constitutes an immediate threat to the public health, safety, and welfare, warranting immediate suspension of Respondents' mortgage broker license because Respondents are able to conduct business in Arizona as a licensed mortgage broker and they do not have the required surety bond.

9. The mortgage broker license of RMSI is suspended.

10. The conduct described above constitutes grounds for revocation of Respondents' mortgage broker license.

LAW

1. Pursuant to A.R.S. Title 6, Chapter 9, the Superintendent has the authority and duty to regulate all persons engaged in the mortgage broker business and with the enforcement of statutes, rules, and regulations relating to mortgage brokers.

2. By the conduct set forth above in the Complaint, RMSI and Mr. Ridge violated A.R.S. § 6-903(G) by failing to maintain the required surety bond.

3. Respondents have not conducted business in accordance with the law and violated Title 6, Chapter 9 and the rules relating to this chapter, which are grounds for the suspension or revocation of Respondents' license pursuant to A.R.S. § 6-905(A)(3).

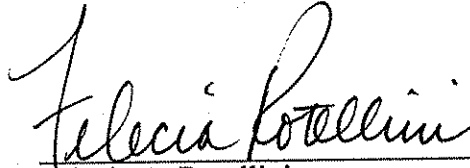
4. The violations, set forth above, constitute grounds for the pursuit of any other remedy necessary or proper for the enforcement of statutes and rules regulating mortgage brokers in Arizona pursuant to A.R.S. §§ 6-123 and 6-131.

5. Pursuant to A.R.S. § 6-132, Respondents' violations of the aforementioned statutes are grounds for a civil penalty of not more than five thousand dollars (\$5,000.00) for each violation for each day.

WHEREFORE, if after a hearing, the Superintendent makes a finding of one or more of the above described violations or other grounds for disciplinary action, the Superintendent may: (1)

1 suspend or revoke RMSI and Mr. Ridge's mortgage broker license pursuant to A.R.S. § 6-905; (2)
2 order any other remedy necessary or proper for the enforcement of statutes and rules regulating
3 mortgage brokers in Arizona under A.R.S. §§ 6-123 and 6-131; and (3) impose a civil penalty
4 pursuant to A.R.S. § 6-132.

5 DATED this 22nd day of September, 2008.

6
7 

8 Felecia A. Rotellini
9 Superintendent of Financial Institutions

10 ORIGINAL of the foregoing filed this 22nd
11 day of September, 2008, in the office of:

12 Felecia Rotellini
13 Superintendent of Financial Institutions
14 Arizona Department of Financial Institutions
ATTN: Susan Longo
2910 N. 44th Street, Suite 310
Phoenix, AZ 85018

15 COPY mailed/delivered same date to:

16 Lewis Kowal, Administrative Law Judge
17 Office of the Administrative Hearings
18 1400 West Washington, Suite 101
Phoenix, AZ 85007

19 Liane Kido, Assistant Attorney General
20 Attorney General's Office
1275 West Washington
Phoenix, AZ 85007

21 Richard Fergus, Licensing Manager
22 Arizona Department of Financial Institutions
23 2910 N. 44th Street, Suite 310
Phoenix, AZ 85018

24 Robert D. Charlton, Assistant Superintendent
25 Arizona Department of Financial Institutions
26 2910 N. 44th Street, Suite 310
Phoenix, AZ 85018

1 AND COPY MAILED SAME DATE, by
2 Certified Mail, Return Receipt Requested to:

3 Ridge Mortgage Services, Inc.
4 Attn: William J. Ridge, President
5 10230 SW Hall Blvd.
6 Tigard, OR 97223

7 Ridge Mortgage Services, Inc.
8 C/O National Registered Agents, Statutory Agent
9 638 N. Fifth Ave.
10 Phoenix, AZ 85003

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Susan Longo